

## INTERNS WITH BENEFITS: INSURANCE, RETIREMENT SAVINGS, AND VACATIONS



By: Terri Williams - November 23, 2016

Internships typically are a way for companies and potential employees to find out more about one another. Interns get a first-hand look at how an organization functions, and they gain hands-on experience in a real-world setting. Employers have an opportunity to gauge competency, work habits, and whether the interns would be a good fit. However, internships are looking more and more like actual employment situations, especially in the area of benefits.

A new report by the National Association of Colleges and Employers reveals that more employers now offer interns benefits usually reserved for employees. The table below shows how benefits offered to interns have changed over time:

*Employee benefits offered to interns, 2007 through 2016:*

BENEFIT	2007	2011	2016
Planned social activities	63.90%	60.00%	79.10%
Paid holidays	47.60%	49.00%	67.40%
401(k) plan	8.80%	13.50%	53.50%
Medical insurance	7.50%	9.50%	46.50%
Dental insurance	4.40%	7.50%	44.20%
Service time	38.80%	30.00%	44.20%
Vacation time	8.40%	13.50%	30.20%
Scholarships	9.30%	9.00%	9.30%
Tuition reimbursement	4.00%	4.50%	7.00%

### It's a Win-Win

What's behind the increase in certain benefits? Nancy S. Ahlrichs, SPHR, SHRM-SCP, business development consultant at Flashpoint, tells GoodCall, "Using internships as a tool to expose the company to potential new hires and the interns to the culture and requirements of the company is a positive strategy." Ahlrichs says offering these benefits could encourage interns to consider employment with companies after graduation.

On one hand, research reveals that students are graduating into a more competitive job market, and many college graduates are accepting lower quality jobs with lower wages. It would seem that employers wouldn't need to dangle carrots in front of them. But Nancy Zucker, an HR recruiter and founder of HR Search Partners, tells GoodCall that companies still want to hire the very best applicants. "As the job market continues to be competitive for interns looking, it is also competitive for the companies are looking to hire top-notch interns."

Also, companies struggle finding workers in some fields, and those companies may need to go the extra mile to stand out from competitors. Information technology is one

of those fields, and Jack Cullen, president of Modis, tells GoodCall, "The most attractive employers realize that they have to be competitive with compensation packages and flexible in salary negotiations in order to win over in-demand tech workers." Cullen says tech employers are offering salary hikes ranging from 10% to 15% to lure the best workers.

Smart companies are ramping up their recruitment efforts before these students graduate. According to Dolph Janis, owner and founder of Clear Income Strategies Group, "In order to receive, you must first give. In offering interns extra benefits, companies are looking to hopefully find that ace in the hole."

### Interns and the Millennial Mindset

But companies have always competed for the best interns and looked for ways to gain an upper hand on competitors. Why increase these specific benefits? According to Ahlrichs, millennials have been a driving force in these changes. "They wanted – and got – flexible working hours and locations, pet insurance, and annual 'divvy bike' memberships that enable them to live without cars and ride a bike provided by the company," Ahlrichs explains.

While it's clearly advantageous to interns to get these perks, they also receive an additional benefit. According to Ryan Brown, partner at CR Myers & Associates, "It forces interns to start thinking how much they should be setting aside for retirement, how employer-sponsored 401(k) plans work, what the appropriate amount of health insurance coverage is, as well as how to manage work versus play with their allotted vacation time."

### Is the Strategy Working?

But will these benefits lure more interns – and more importantly, convert them after graduation? Zucker believes that vacation days are important to interns, but she's not sure about the rest of the benefits. "Many of them are covered on their parents' health insurance until the age of 26, and retirement probably ranks last, as younger adults may not be thinking more than a few years into their future."

Cullen thinks that sometimes even a lucrative salary may not be enough to convert and keep interns once they start thinking about their employment options. "A majority of IT decision makers – 54 percent – believe employees are looking for other benefits, like working remotely and flex hours."

Millennials and Gen Z have joined forces to shape the workforce, and while they agree on many issues, will Gen Z express different preferences, causing companies to shift gears? Ahlrichs says that Gen Zers tend to want more traditional benefits. "Health insurance is a 'must have,' but so is a quality two-way relationship with their manager – and they want face-to-face meetings with their managers that are not assisted by Skype or Facetime."



Dolph Janis, founder and owner of Clear Income Strategies Group, has been in the retirement services industry for more than 11 years, building a strong network of satisfied clients in Charlotte, N.C. and surrounding areas. Dolph's goal is to provide fulfillment for the visions, hopes and dreams from baby boomers to seniors by providing common sense solutions for their retirement needs.

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